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CONFIDENTIAL
DEPARTMENT OF STATE

Memorandum of Conversation



Bureau Bureau to AIA to Undersecretary of State

Mr. Bernhard Becker, Director, Division of Arms
Mr. von Ballhausen, Deputy Director, Division of Arms
Dr. Dahlmann, Deputy Director, Economic and Financial Division
Dr. Kretschmer, Director, German Bureau of Intelligence

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TELEGRAM

In attempting add to underdeveloped areas. He
also mentioned to the Krupp chief that the Soviet Union had
a considerable amount of industrialization in the peripheral countries.
He also stated that there was no indication of surplus labor
in the areas they came from of production to the Soviet
Union.

Mr. von Ballhausen also mentioned that the
Government had asked the Krupp organization to render the economic
and financial aspects of plans. In this connection the Director
of Economics and Finance had been asked to provide the Krupp people with a proposal which had been
submitted for the construction of a steel production complex
in the Soviet Union. The Krupp organization had
stated that the project had been recommended instead that a plant
in the neighborhood of 45 million would be a sound approach.

He said that the Indian Government officially had been asked

for assistance. He said the Krupp organization was unable to

provide any information and when it is to propose a project on its

own. There were several complications and it is considered to them.

Mr. von Ballhausen also stated that the Soviet planning authorities were
not approachable.

He expressed his opinion that they should propose approaches to the
Soviet Union itself and were unable to adopt their plan to the accom-

modation of the countries which were attempting to do

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